

BEFORE THE REAL ESTATE COMMISSION  
STATE OF NEVADA

FILED

AUG 26 2016

REAL ESTATE COMMISSION  
BY *Ruben Stach*

SHARATH CHANDRA, Administrator,  
REAL ESTATE DIVISION, DEPARTMENT  
OF BUSINESS & INDUSTRY,  
STATE OF NEVADA,

Case No.: 2016-1708

Petitioner,

vs.

JASON A. JAIRAM,

**COMPLAINT AND NOTICE OF HEARING**

Respondent.

The REAL ESTATE DIVISION OF THE DEPARTMENT OF BUSINESS AND INDUSTRY OF THE STATE OF NEVADA ("Division"), by and through its counsel, Adam Paul Laxalt, Attorney General of the State of Nevada, and Peter Keegan, Deputy Attorney General, hereby notifies RESPONDENT JASON A. JAIRAM ("RESPONDENT") of an administrative hearing before the STATE OF NEVADA REAL ESTATE COMMISSION ("Commission"). The hearing will be held pursuant to Chapter 233B and Chapter 645 of the Nevada Revised Statutes ("NRS") and Chapter 645 of the Nevada Administrative Code ("NAC"). The purpose of the hearing is to consider the allegations stated below and to determine if the RESPONDENT should be subject to an administrative penalty as set forth in NRS 645.633 and/or NRS 645.630 and/or NRS 622.400, and the discipline to be imposed, if violations of law are proven.

**JURISDICTION**

RESPONDENT was at all relevant times mentioned in this Complaint licensed as a real estate salesperson, License Number S.0170866, and is therefore subject to the jurisdiction of the Division and the provisions of NRS Chapter 645 and NAC Chapter 645.

**FACTUAL ALLEGATIONS**

1. RESPONDENT has been licensed as a real salesperson, License Number S.0170866, since August 16, 2011, and is currently in active status.

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2. RESPONDENT was associated with Krch Realty, LLC ("KRCH") at the relevant times mentioned in this Complaint.

3. Kyle Krch ("Krch") has been licensed as a real estate broker, License Number B.0056206.LLC, since November 23, 2005, and was the broker for KRCH at the relevant times mentioned in this Complaint.

4. Michael Cullum Harding ("Harding") has been licensed as a real estate salesperson, License Number S.0169701, since July 14, 2010, and was associated with Krch Realty at the relevant times mentioned in this Complaint.

**D'ARCY STREET**

1. In January of 2013, Deborine Dolan ("Dolan") engaged Krch to list and sell real property located at 2745 D'Arcy Street, Sparks, Nevada ("D'Arcy Street").

2. On or about February 14, 2013, Jeanette Hirschy ("Hirschy") signed a Residential Offer and Acceptance Agreement for D'Arcy Street.

3. RESPONDENT was Hirschy's agent.

4. Hirschy had a preexisting agreement with RESPONDENT and Krch to purchase short sale properties offered by KRCH for an investor group ("the KRCH investor group"), which she, Krch, Sandra Krch, Harding and Gifford were principals.

5. On or about February 14, 2013, Dolan presented a Counter Offer, which Hirschy accepted.

6. Between approximately July 17 and 30, 2013, Krch, Deborine Dolan, Wayne Dolan, and Hirschy, each executed an Affidavit of "Arm's Length Transaction" for Chase Bank.

7. RESPONDENT failed to sign the Affidavit of Arm's Length Transaction; instead, Krch signed as both the Buyer and Seller's agent.

8. The Affidavit of "Arm's Length Transaction" required that every party and agent involved in the short sale transaction truthfully sign the Affidavit. Specifically, the Affidavit states that "[t]he Lender and/or Servicer, in consideration of the representations made below by the Seller, the Buyer, and their respective agents agrees to accept less than the amount owed to resolve its Loan . . . on the express condition that the Seller, the Buyer, and their

1 respective agents (including without limitation, real estate agents, escrow agents, and title  
2 agents) each truthfully represents, affirms, and states that to the best of each signatory's  
3 knowledge and belief."

4 9. In paragraph 2 of the Affidavit of "Arm's Length Transaction," the signing parties  
5 were required to represent, affirm, and state that "[n]o Buyer or agent of the buyer is a family  
6 member or business associate of the Seller, the borrower, or the mortgagor."

7 10. In paragraph 3 of the Affidavit of "Arm's Length Transaction," the signing parties  
8 were required to represent, affirm, and state that "[n]o Buyer or agent of the Buyer shares a  
9 business interest with the Seller, the borrower, or the mortgagor."

10 11. In paragraphs 4 of the Affidavit of "Arm's Length Transaction," the signing parties  
11 were required to represent, affirm, and state that "[t]here are no hidden terms or hidden  
12 agreements or special understandings between the Seller and the Buyer or among their  
13 respective agents that are not reflected in the Agreement or the escrow instructions  
14 associated with this transaction."

15 12. In paragraph 12 of the Affidavit of "Arm's Length Transaction," the signing parties  
16 were required to represent, affirm, and state that "any misrepresentation made by him or her  
17 may subject him or her to civil liability."

18 13. On or about July 30, 2013, the short sale transaction closed, and Hirschy, a  
19 member of the KRCH investor group, received title to the D'Arcy Street.

20 14. RESPONDENT never disclosed Hirschy's relationship with the KRCH investor  
21 group to Chase Bank during the D'Arcy Street short sale transaction.

22 **CERVINO DRIVE**

23 15. On or about June 12, 2013, Stephanie Tobey ("Tobey") engaged KRCH to list and  
24 sell real property located at 11480 Cervino Drive, Reno, Nevada ("Cervino Drive").

25 16. On or about that same day, Krch had Tobey sign a KRCH document regarding  
26 "Full Disclosure of the Investor Purchasing your home via Short Sale" ("KRCH Disclosure").

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1           17. The KRCH Disclosure provides that Krch has a financial interest in the investor  
2 group that will be purchasing Cervino Drive and hopes to earn a profit from reselling Cervino  
3 Drive in the future.

4           18. On or about June 14, 2013, Hirschy signed a Residential Offer and Acceptance  
5 Agreement for Cervino Drive.

6           19. RESPONDENT was Hirschy's agent.

7           20. On or about June 14, 2013, Tobey presented a Counter Offer to Hirschy.

8           21. Hirschy accepted the Counter Offer on or about June 17, 2013.

9           22. On or about December 17 and 18, 2013, Krch, Tobey, and Hirschy each executed  
10 a Short Sale Affidavit for Bayview Loan Servicing, LLC.

11           23. RESPONDENT did not sign the Short Sale Affidavit; instead, Krch signed as both  
12 the Buyer and Seller's agent.

13           24. The Short Sale Affidavit required that every party and agent sign the Affidavit  
14 under penalty of perjury. Specifically, the Affidavit states that "[t]his Short Sale Affidavit  
15 ('Affidavit') is given by the Seller(s), Buyer(s), Agent(s), and Facilitator to the Servicer and the  
16 Investor of the mortgage loan secured by the Property ("Mortgage") in consideration for the  
17 mutual and respective benefits to be derived from the short sale of the Property."

18           25. In paragraph "(a)" of the Short Sale Affidavit, the signing parties were required to  
19 represent, warrant, and agree "under the pains and penalties of perjury" that "[t]he sale of the  
20 Property is an 'arm's length' transaction, between Seller(s) and Buyer(s), who are unrelated  
21 and unaffiliated by family, marriage, or commercial enterprise."

22           26. In paragraph "(d)" of the Short Sale Affidavit, the signing parties were required to  
23 represent, warrant, and agree "under the pains and penalties of perjury" that "[t]here are no  
24 agreements, understandings or contracts relating to the current sale or subsequent sale of the  
25 Property that have not been disclosed to the Servicer."

26           27. In paragraph "(g)" of the Short Sale Affidavit, the signing parties were required to  
27 represent, warrant, and agree "under the pains and penalties of perjury" that they understood  
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1 that a misrepresentation may subject the person making the misrepresentation to civil and/or  
2 criminal liability.

3 28. On or about December 27, 2013, the short sale transaction closed, and Hirschy, a  
4 member of the KRCH investor group, received title to Cervino Drive.

5 29. RESPONDENT never disclosed Hirschy's relationship with the KRCH investor  
6 group to any of the banks, lenders, or servicers involved in the Cervino Drive short sale  
7 transaction.

8 VIOLATIONS

9 RESPONDENT has committed the following violations of law:

10 30. RESPONDENT violated NRS 645.633(1)(h) pursuant to NAC 645.605(1), by  
11 displaying gross negligence or incompetence when he failed to review or sign the D'Arcy  
12 Street Affidavit of "Arm's Length Transaction" that was required by and presented to Chase  
13 Bank on behalf of himself and his client.

14 31. RESPONDENT violated NRS 645.633(1)(h) pursuant to NAC 645.605(1), by  
15 displaying gross negligence or incompetence when he failed to review or sign the Cervino  
16 Drive Short Sale Affidavit that was required by and presented to Bayview Loan Servicing,  
17 LLC, on behalf of himself and his client.

18 32. RESPONDENT violated NRS 645.633(1)(i) pursuant to NAC 645.605(1), by  
19 deceiving Chase Bank when he failed to disclose that his client, Hirschy, was a member of the  
20 KRCH investor group, was a prearranged buyer, or that the short sale of the D'Arcy property  
21 was not an "arm's length transaction."

22 33. RESPONDENT violated NRS 645.633(1)(i) pursuant to NAC 645.605(1), by  
23 deceiving Bayview Loan Servicing, LLC when he failed to disclose that his client, Hirschy, was  
24 a member of the KRCH investor group, was a prearranged buyer, or that the short sale of the  
25 C property was not an "arm's length transaction."

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**DISCIPLINE AUTHORIZED**

34. Pursuant to NRS 645.630 and NRS 645.633, the Commission is empowered to impose an administrative fine of up to \$10,000 per violation against RESPONDENT and further to suspend, revoke or place conditions on the license of RESPONDENT.

35. Additionally, under NRS Chapter 622, the Commission is authorized to impose costs of the proceeding upon RESPONDENT, including investigative costs and attorney's fees, if the COMMISSION otherwise imposes discipline on RESPONDENT.

36. Therefore, the Division requests that the Commission take such disciplinary action as it deems appropriate under the circumstances.

**NOTICE OF HEARING**

**PLEASE TAKE NOTICE** that a disciplinary hearing has been set to consider the Administrative Complaint against the above-named RESPONDENT in accordance with Chapters 233B and 645 of the Nevada Revised Statutes and Chapter 645 of the Nevada Administrative Code.

**THE HEARING WILL TAKE PLACE** on October 5, 2016, commencing at 1:00 p.m., or as soon thereafter as the Commission is able to hear the matter, and each day thereafter commencing at 9:00 a.m. through October 7, 2016, or earlier if the business of the COMMISSION is concluded. The Commission meeting will be held on October 5, 2016, at the Legislative Building, 401 South Carson Street, Room 2134, Carson City, Nevada 89701. The meeting will continue on October 6, 2016, at the Legislative Building, 401 South Carson Street, Room 2134, Carson City, Nevada 89701, commencing at 9:00 a.m., and on October 7, 2016, should business not be concluded, starting at 9:00 a.m. at the Legislative Building, 401 South Carson Street, Room 2134, Carson City, Nevada 89701.

**STACKED CALENDAR:** Your hearing is one of several hearings scheduled at the same time as part of a regular meeting of the Commission that is expected to last from October 5 through October 7, 2016, or earlier if the business of the Commission is concluded. Thus, your hearing may be continued until later in the day or from day-to-

1 day. It is your responsibility to be present when your case is called. If you are not  
2 present when your hearing is called, a default may be entered against you and the  
3 COMISSION may decide the case as if all allegations in the Complaint were true. If you  
4 have any questions, please call Rebecca Hardin, Commission Coordinator (702) 486-  
5 4074.

6 YOUR RIGHTS AT THE HEARING: except as mentioned below, the hearing is an  
7 open meeting under Nevada's open meeting law, and may be attended by the public. After  
8 the evidence and arguments, the Commission may conduct a closed meeting to discuss your  
9 alleged misconduct or professional competence. A verbatim record will be made by a certified  
10 court reporter. You are entitled to a copy of the transcript of the open and closed portions of  
11 the meeting, although you must pay for the transcription.

12 As the RESPONDENT, you are specifically informed that you have the right to appear  
13 and be heard in your defense, either personally or through your counsel of choice. At the  
14 hearing, the Division has the burden of proving the allegations in the Complaint and will call  
15 witnesses and present evidence against you. You have the right to respond and to present  
16 relevant evidence and argument on all issues involved. You have the right to call and  
17 examine witnesses, introduce exhibits, and cross-examine opposing witnesses on any matter  
18 relevant to the issues involved.

19 You have the right to request that the Commission issue subpoenas to compel  
20 witnesses to testify and/or evidence to be offered on your behalf. In making the request, you  
21 may be required to demonstrate the relevance of the witnesses' testimony and/or evidence.  
22 Other important rights you have are listed in NRS 645.680 through 645.990, NRS Chapter  
23 233B, and NAC 645.810 through 645.920.

24 The purpose of the hearing is to determine if the RESPONDENT has violated NRS 645  
25 and/or NAC 645, and if the allegations contained herein are substantially proven by  
26 the evidence presented and to further determine what administrative penalty, if any, is to be


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1 assessed against the RESPONDENT, pursuant to NRS 645.235, 645.633 and/or 645.630.

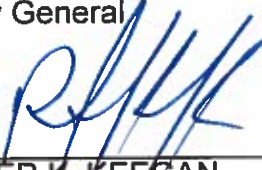
2 DATED this 25<sup>th</sup> day of August, 2016.

3 State of Nevada  
4 Department of Business and Industry  
5 Real Estate Division

6 By:   
7 SHARATH CHANDRA, Administrator  
8 2501 East Sahara Avenue  
9 Las Vegas, Nevada 89104-4137  
10 (702) 486-4033

11 DATED this 22<sup>nd</sup> day of August, 2016.

12 ADAM PAUL LAXALT  
13 Attorney General

14 By:   
15 PETER K. KEEGAN  
16 Deputy Attorney General  
17 100 North Carson Street  
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19 (775) 684-1153  
20 Attorneys for Real Estate Division  
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